

Identification of the Area

Name or Designation:

Renton/Tukwila

Area 70

Boundaries: Area 70, Renton/Tukwila includes that area beginning at the intersection of S 208th Street and Interstate 5. The southerly boundary begins at this intersection and follows and/or approximates S 208th Street easterly to the line separating Ranges 6 and 7. The boundary then follows the Range line north to meet SE 136th Street and proceeds westerly along the mid-section line to meet I-405. Turning northerly, the line follows the I-405 freeway to NE 12th Street, then turns westerly to cross Lake Washington and proceeds to 84th Avenue South. Following the line between ranges 4 and 5, the boundary turns south to SR 900. The boundary follows SR 900 northwesterly to I-5, turns southerly and follows I-5 to its intersection with the SE 1/4 of Section 15-23-4. The boundary then resumes following 1/4 Section lines: along S 136th Street, west to 42nd Avenue South, south to S 160th Street, east to 51st Avenue South and south to join S 192nd Street, near Interstate 5. Then finally, the line follows Interstate 5 to its intersection with S 208th Street to complete this description

The area physically inspected for 2004 is identified as area 70-50 on the map included in this report. This portion of Area 70 includes that portion of Renton and unincorporated King County extending from the Valley Medical Center east to Tiger Mountain.

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Description:

Area 70 encompasses the major portions of the municipalities of Renton and Tukwila, the unincorporated areas of Skyway and Bryn Mawr and extends easterly to include Fairwood and Mirrormont. This is a large area geographically. The major commercial development is situated in the Renton/Tukwila area. Community commercial areas are located throughout Area 70, as in Fairwood. Smaller, neighborhood commercial areas are scattered throughout the entire area.

The City of Tukwila is home to our area's largest regional shopping mall, Westfield Shoppingtown Southcenter. This center attracts consumers from Everett to Olympia. The area surrounding Southcenter is in transition. Originally, most of this area was developed with mainly warehousing/distribution buildings due to the advantageous proximity to I-5 and I-405. The area from Southcenter and extending south to approximately South 180th Street is considered the 'Tukwila Urban Center'. The conversion of warehouse buildings to retail use continues. Westfield Shoppingtown

Southcenter is planning a major expansion. Sound Transit's Light Rail project is underway in Tukwila. This area continues to thrive and reinvent itself.

The city is looking to the future with the recommendations from their Strategic Economic Development Task Force. Tukwila is taking steps to adopt a more pro-business environment. The city has a small residential population and is looking to provide more attractive and affordable housing.

The oldest section of the City of Renton lies within area 70. There has been much activity in the downtown area. The city takes pride in their Regional Transit Center and Piazza in the downtown area. The new Renaissance apartment/retail complex with under building parking and two similar projects, Metropolitan Place and Burnett Station, are designed to transform downtown Renton into a modern urban village. Included in Renton's redevelopment is the \$1.5 million IKEA Performing Arts Center at Renton High School, and a new \$9 million municipal parking garage. Near completion is a new Aquatic Center on the northeast corner of Cedar River Park.

The economic downturn has softened the office market in the South County area. In Renton, several proposed projects have been canceled or postponed. Wright Runstad & Co. decided to postpone plans for 750,000 square feet of office/hotel space on the former Shuffleton Steam plant site on the south end of Lake Washington. The first phase of the apartment portion of this project has been constructed as the Bristol Apartments. A new 'Sam's Club' retail store is constructed adjacent to the Renton City Hall. Frye's Electronics has opened a new store on former Boeing land. Boeing has recently placed a large portion of their surplus land at its Renton plant on the market. This land is rezoned by the city for a mix of uses including office and retail, urban density residential and biotech lab/office use.

Several key community stakeholders including the Renton School District, Renton Technical College, Valley Medical Center, the Renton Hotel Industry, have collaborated with the City to market Renton. Their theme, 'Renton, Ahead of the Curve' attempts to present Renton as a great place to work, live, visit, shop and play.

The main sources of employment in this area appear to be Boeing, Kenworth Trucking, Pacific Car and Foundry, The Federal Aviation Administration, Valley Medical Center and Southcenter.

Preliminary Ratio Analysis

A Preliminary Ratio Study was done in April of 2004. The study included sales of improved parcels and showed a COV of 17.11 %.

The study was also repeated after application of the 2004 recommended values. The results are included in the validation section of this report, showing an improvement in the COV from 17.11% to 13.06%.

Scope of Data

Land Value Data:

Vacant sales from 1/2001 to 12/2003 were given primary consideration for valuing land.

Improved Parcel Total Value Data:

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides in the Assessor's procedure manual located in the Public Information area of the King County Administration Building.

Land Value

Land Sales, Analysis, Conclusions

Twenty-five land sales have occurred in all of Area 70 from 1/2001 to 12/2003. Ten of these sales occurred since the last lien date of 1/1/2003 and warrant primary consideration in the revaluation of land in Area 70. Sales from 2000 are not considered due to market appreciation.

Sales were analyzed based on zoning, location and lot size. When possible, each neighborhood was valued based on sales within that neighborhood. In the absence of sales in a subject neighborhood, sales from other competing neighborhoods were given consideration.

The recommended land values for the 2004-assessment year (taxes payable in 2005) generates a total change from the 2003 assessments of + 4.44%. The total land assessed value for the 2003 assessment year for Area 70 is \$1,137,169,200. The total recommended land assessed value for the 2004-assessment year is \$1,187,699,900. Approximately 79% of the parcels in Area 70 experienced no land value change.

A Preliminary Ratio Study was done in April of 2004. The study included sales of vacant parcels and showed a COV of 29.64 %. The study was repeated after application of the 2004 recommended values. The results show an improvement in the COV from 29.64% to 12.83%. The new assessment level is 94.4%. This reflects an improvement over the previous assessment level of 85.4%.

	2003 Ratio	2004 Ratio
Assessment Level	85.4%	94.4%
Coefficient of Dispersion	16.94%	8.50%
Coefficient of Variation	29.64%	12.83%

Standard Deviation	25.39%	12.12%
Price Related Differential	1.00%	1.00%

The recommended land value ranges for Area 70 by zone and jurisdiction can be found on the table at the end of this section of the report. The following is a discussion of the sales and value analysis for each neighborhood in Area 70:

Area 70-10: Portions of West Renton and North Tukwila

Just three land sales occurred in the months from 1/2001 to 12/2003 in this area. Comparable land sales from competing neighborhoods indicate that this area is currently at an acceptable assessment level.

This portion of Area 70 includes a part of the northerly section of Tukwila lying south of I-5 and west Renton lying north of I-405.

The commercial properties in this area are located mainly along Interurban Avenue and Southcenter Boulevard in Tukwila and Grady Way in Renton. Commercial values along Grady Way are equalized with those similarly zoned in neighborhood 70-40. This reflects a value range of from \$8.00-\$10.00 per square foot. The property situated along Interurban Avenue is assessed from \$5.00 to \$7.00 per square foot and on Southcenter Boulevard from \$8.00 to \$10.00 per square foot.

Industrial property in this area includes those on Monster Road and the Black River area. Industrially zoned property in this area is assessed from \$5.00 to \$7.00 per square foot.

Multi-Family zoned properties are valued from \$3.00-\$10.00 per square foot. Any adjustments made are primarily to improve uniformity.

Area 70-20: Southcenter/Southwest Renton

The area includes the Southcenter area south to 180th Street and is predominately retail in nature. Four land sales occurred in the months from 1/201 to 12/2003. Just one of these transactions occurred after the previous lien date of 1/1/2003. Comparable land sales from competing neighborhoods indicate that this area is currently at an acceptable assessment level.

Commercially zoned properties are predominately assessed from \$10-\$18 per square foot. Commercial development is active and property with good visibility and traffic exposure is in demand.

There are few Multi-Family or Residential zoned properties in this area.

The industrial area of southwest Renton is experiencing growth. New warehouse complexes are under construction here. The Seattle Times Company has sold one of the

largest tracts of vacant industrial land in Renton at \$9.5 million for the 33.5-acre property. Industrial land is assessed from \$5.00 to \$10.00 per square foot.

Area 70-25: South Tukwila/North Kent

This neighborhood includes the southerly portion of Tukwila and the northerly section of Kent. This neighborhood is comprised of predominately industrial property. The Boeing Company has created the Pacific Gateway Business Park in this area. This is a first rate industrial park and the lots are selling at from \$8.00 to \$12.00 per square foot. Several new industrial buildings are constructed or are under construction. Nine land sales occurred in the months from 1/2001 to 12/2003 in this area. Four of these transactions occurred after the previous lien date of 1/1/2003. Comparable land sales from competing neighborhoods indicate that this area is currently at an acceptable assessment level.

Industrially zoned property in the southern portion of Tukwila along with similarly zoned land in the northern portion of Area 65 indicate a range of values of from \$4.00-\$10.00 per square foot.

Commercially zoned land is assessed from \$8.00 to \$18.00 per square foot.

There is no Multi-family or residentially zoned land in this area

Area 70-30: Portion of West Renton

This area begins in the most northerly portion of Renton west of the Renton Airport and continues south along both the easterly and westerly sides of Rainier Avenue to include the southerly part of downtown Renton.

Just one land sale occurred in the months from 1/2001 to 12/2003 in this area. This transaction occurred since the previous lien date of 1/1/2003. Comparable land sales from competing neighborhoods indicate that this area is currently at an acceptable assessment level.

The west Renton area south of Grady Way and north of I-405 are properties zoned 'CA' with an Automotive overlay. The City of Renton has designated this area for development in the automotive area such as car repair, dealerships, etc. This area is valued from \$12.00 to \$14.00 per square foot. Commercially zoned property along Rainier Avenue South is valued from \$10.00-\$18.00 per square foot.

Industrially zoned land here is valued from \$5.00 to \$12.00 per square foot.

Multi-family and residentially zoned land is assessed from \$5.00 to \$10.00 per square foot.

Area 70-40: Renton Central Business District

Three land sales have occurred in the months from 1/2001 to 12/2003 in this area. All three sales occurred prior to the previous lien date of 1/1/2003. Development in the downtown area of Renton has generated most of the land value adjustments in Area 70-40. Some of the activity in the downtown area includes the construction of a large canopy for gas sales by Safeway. A new fitness center has been constructed in the Fred Meyer shopping center.

Commercially zoned properties in this area are assessed from \$10.00-\$18.00 per square foot. Multi-Family zoned parcels are generally located in the older sections of Downtown Renton. These parcels are small lots and usually require two or more to develop. There are several new multi-family structures constructed as condominiums in this area. This portion of Renton appears to be increasing in desirability. Multi-family zoned land is assessed mostly from \$8.00-\$12.00 per square foot. The industrial portion of this area is located near the Boeing Plant in the northerly part of 70-40. The industrially zoned land is assessed at from \$7.00 to \$12.00 per square foot.

Area 70-50: Valley Medical Center Area / Benson Highway to Fairwood (and outer ranges)

Five land sales have occurred in the months from 1/2001 to 12/2003 in this area. Three of these sales occurred since the previous lien date of 1/1/2003.

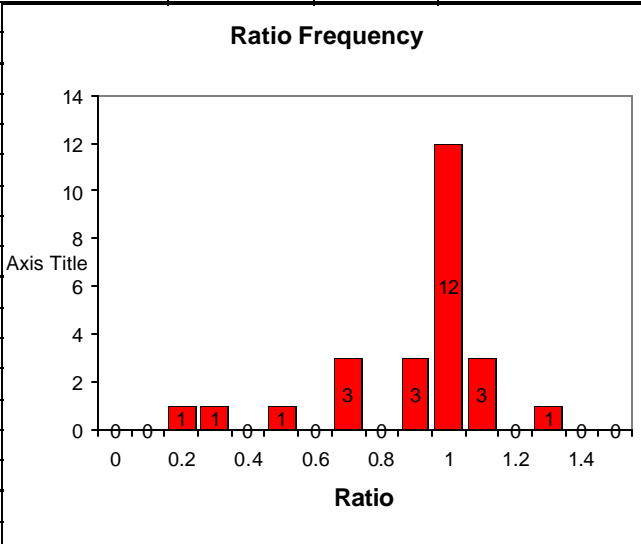
This is a large area geographically. The highest concentration of commercial properties is situated along Benson Highway (SR 516) and in the Fairwood commercial area. The commercial area surrounding Valley Medical Center is mostly medical offices and apartment complexes. The balance of the area covers large areas of residential and undeveloped land in which the commercial properties are churches, schools and fire stations.

Comparable land sales from competing neighborhoods indicate that this area is currently at an acceptable assessment level. Some adjustments may have been made to improve uniformity. The majority of commercially zoned parcels in this area are currently assessed from \$8.00-\$18.00 per square foot. Multi-Family zoned parcels are assessed from \$3.00-\$12.00 per square foot. Residentially zoned properties are equalized with the surrounding residential property and generally range from \$3.00 to \$10.00 per square foot. There are few industrially zoned properties in this neighborhood.

**Land Value Table
Area 70**

Property Types	Zone	Neighborhoods					
		70-10	70-20	70-25	70-30	70-40	70-50
		West Renton/North Tukwila	Southcenter/Southwest Renton	South Tukwila/North Kent	West Renton	Downtown Renton	Valley Medical Center Area/Benson Highway to Fairwood (and outer ranges)
Industrial Land	Tukwila – C/LI, HI, U, TVS, MIC/L MICH	\$5.00 TO \$7.00 / SF	\$5.00 TO \$10.00 / SF	\$4.00 TO \$10.00 / SF	\$5.00 TO \$12.00 / SF	\$7.00 TO \$12.00 / SF	N/A
	Renton – IH, IM, IL						
	King County – I, IP, IS, M						
	Kent – M1, M1-C, M2, M3, MA						
Commercial Land	Tukwila – O, MUO, RCC, NCC, RC, RCM, TUC	\$5.00 TO \$10.00 / SF	\$10.00 TO \$18.00 / SF	\$8.00 TO \$18.00 / SF	\$10.00 TO \$18.00 / SF	\$10.00 TO \$18.00 / SF	\$8.00 TO \$18.00 / SF
	Renton – CO, CC, CN, CS, CD, COR, CA						
	King County – CB, NB, OP, OS						
	Kent – GC						
Multi-Family Land	Tukwila – HDR, MDR	\$3.00 TO \$10.00 / SF	N/A	N/A	\$6.00 TO \$10.00 / SF	\$8.00 TO \$12.00 / SF	\$3.00 TO \$12.00 / SF
	Renton – RM-I, R-14, RM-C, RM-N, RM-U, RMH						
	King County – R-12, R-24, R-18, R-48						
Residential Land	Tukwila – LDR	\$1.00 TO \$5.00 / SF	N/A	N/A	\$5.00 TO \$10.00 / SF	\$8.00 TO \$12.00 / SF	\$3.00 TO \$10.00 / SF
	Renton – R-1, R-5, R-8, R-10						
	King County – R1, R-4, R-6, R-8, RA-10, RA-2.5, RA-5,						

Area 070 – Renton/Tukwils
2004 Assessment Year
Using 2003 Values

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
South Crew	1/1/2003	5/7/2004	1/2/01 - 12/11/03
Area	Appr ID:	Prop Type:	Trend used?: Y / N
70	JCOL	Land	N
SAMPLE STATISTICS			
Sample size (n)	25		
Mean Assessed Value	953,500		
Mean Sales Price	1,116,400		
Standard Deviation AV	964,085		
Standard Deviation SP	1,014,679		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.857		
Median Ratio	0.943		
Weighted Mean Ratio	0.854		
UNIFORMITY			
Lowest ratio	0.1217		
Highest ratio:	1.2924		
Coefficient of Dispersion	16.94%		
Standard Deviation	0.2539		
Coefficient of Variation	29.64%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.857		
Upper limit	0.996		
95% Confidence: Mean			
Lower limit	0.757		
Upper limit	0.956		
SAMPLE SIZE EVALUATION			
N (population size)	2810		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.2539		
Recommended minimum:	100		
Actual sample size:	25		
Conclusion:	Uh-oh		
NORMALITY			
Binomial Test			
# ratios below mean:	8		
# ratios above mean:	17		
z:	1.6		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

These figures reflect the 2003 assessed values compared to the listed sales.

Area 070 – Renton/Tukwils
2004 Assessment Year
Using 2004 Values

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:														
South Crew	1/1/2004	5/7/2004	1/2/01 - 12/11/03														
Area	Appr ID:	Prop Type:	Trend used?: Y / N														
70	JCOL	Land	N														
SAMPLE STATISTICS																	
Sample size (n)	25	<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7-0.8</td><td>1</td></tr><tr><td>0.8-0.9</td><td>2</td></tr><tr><td>0.9-1.0</td><td>4</td></tr><tr><td>1.0-1.1</td><td>13</td></tr><tr><td>1.1-1.2</td><td>4</td></tr><tr><td>1.2-1.3</td><td>1</td></tr></tbody></table>		Ratio	Frequency	0.7-0.8	1	0.8-0.9	2	0.9-1.0	4	1.0-1.1	13	1.1-1.2	4	1.2-1.3	1
Ratio	Frequency																
0.7-0.8	1																
0.8-0.9	2																
0.9-1.0	4																
1.0-1.1	13																
1.1-1.2	4																
1.2-1.3	1																
Mean Assessed Value	1,053,800																
Mean Sales Price	1,116,400																
Standard Deviation AV	967,643																
Standard Deviation SP	1,014,679																
ASSESSMENT LEVEL																	
Arithmetic mean ratio	0.945																
Median Ratio	0.956																
Weighted Mean Ratio	0.944																
UNIFORMITY																	
Lowest ratio	0.6664																
Highest ratio:	1.2924																
Coefficient of Dispersion	8.50%																
Standard Deviation	0.1212																
Coefficient of Variation	12.83%																
Price-related Differential	1.00																
RELIABILITY																	
95% Confidence: Median																	
Lower limit	0.911																
Upper limit	0.997																
95% Confidence: Mean																	
Lower limit	0.897																
Upper limit	0.992																
SAMPLE SIZE EVALUATION																	
N (population size)	2810																
B (acceptable error - in decimal)	0.05																
S (estimated from this sample)	0.1212																
Recommended minimum:	23																
Actual sample size:	25																
Conclusion:	OK																
NORMALITY																	
Binomial Test																	
# ratios below mean:	11																
# ratios above mean:	14																
z:	0.4																
Conclusion:	Normal*																

These figures reflect the recommended 2004 values compared to the listed sales.

*i.e., no evidence of non-normality

Vacant Sales for Area 070 with Sales Used

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.
070	010	115720	0010	47,369	1847851	\$600,000	10/19/01	\$12.67	VACANT LAND	O	1
070	010	799960	0205	67,675	1907898	\$210,000	08/24/02	\$3.10	VACANT LAND	O	1
070	010	336590	1470	50,035	1958321	\$310,000	05/14/03	\$6.20	VACANT LAND	RCM	4
070	020	252304	9057	111,949	1807811	\$1,000,000	03/23/01	\$8.93	VACANT LAND	CM	1
070	020	334040	5150	19,120	1821055	\$160,000	05/25/01	\$8.37	VACANT LAND	IM	1
070	020	362304	9045	465,280	1897746	\$2,250,000	07/15/02	\$4.84	VACANT LAND	CA	4
070	020	125360	0050	35,000	1992512	\$500,000	09/25/03	\$14.29	VACANT INDUSTRIAL	CA	1
070	025	788880	0090	217,207	1795541	\$1,200,000	01/02/01	\$5.52	VACANT LAND	M1	1
070	025	312305	9167	277,042	1855370	\$2,400,000	11/27/01	\$8.66	VACANT LAND	GC	3
070	025	660021	0210	209,019	1878476	\$2,509,056	03/29/02	\$12.00	VACANT LAND	M1	1
070	025	312305	9167	27,685	1899758	\$520,000	07/22/02	\$18.78	VACANT LAND-FAST FOOD SITE	GC	1
070	025	660021	0150	270,623	1920769	\$2,489,768	11/05/02	\$9.20	PACIFIC GATEWAY BUSINESS PARK	M1	1
070	025	382900	0065	112,432	1946015	\$360,000	03/19/03	\$3.20	VACANT LAND	M1	1
070	025	660021	0240	233,987	1946053	\$1,871,896	03/20/03	\$8.00	PACIFIC GATEWAY BUSINESS PARK	M1	1
070	025	660021	0180	294,456	1948039	\$2,414,531	03/28/03	\$8.20	PACIFIC GATEWAY BUSINESS PARK	M1	1
070	025	660021	0020	375,989	1964864	\$3,207,086	06/11/03	\$8.53	PACIFIC GATEWAY BUSINESS PARK	M1	3
070	030	182305	9157	31,385	2012244	\$450,000	12/11/03	\$14.34	VACANT LAND (PAD SITE?)	CA	1
070	040	723150	1825	16,800	1829753	\$250,000	07/09/01	\$14.88	VACANT LAND (MULTI-FAMILY SITE)	CD	2
070	040	722400	0865	5,896	1868091	\$82,544	02/14/02	\$14.00	VACANT COMMERCIAL LAND	CA	1
070	040	182305	9282	16,330	1888678	\$45,000	05/22/02	\$2.76	VACANT ABANDONED RR R/W	CO	2
070	050	289260	0038	55,218	1905957	\$180,000	08/23/02	\$3.26	VACANT LAND	R12SO	1
070	050	292305	9067	377,229	1929599	\$600,000	12/04/02	\$1.59	VACANT MULTI-FAMILY LAND	R18SO	1
070	050	232305	9185	388,797	1955930	\$2,700,000	05/01/03	\$6.94	FORMER AQUA BARN - CONDO SITE	R12PSO	1
070	050	232305	9209	162,388	1955942	\$1,000,000	05/01/03	\$6.16	VACANT MULTI-FAMILY SITE	R12PSO	1
070	050	292305	9174	48,727	1996244	\$600,000	10/16/03	\$12.31	VACANT LAND	CBSO	1

Improved Parcel Total Values:

Sales comparison approach model description

The model for sales comparison is based on four data sources from the Assessor's records; occupancy codes, age, condition and size. There were 85 improved sales in Area 70 dating from 1/11/2001 to 12/30/2003 and considered fair market transactions reflective of market conditions. These sales were organized into market segments based on predominate use. Based on a sales analysis, each segment reflected a market price per square foot of net rentable area. These sales price ranges served to establish a general upper and lower market boundary for the various property types within each subject area.

The market segments in Area 70 are generally the following property types with the sales price per square foot of net rentable area:

Property Type	\$/SF Range	Median Sales Price
Smaller Office (- 20,000 SF)	\$62.38 to \$218.23 Per Sq. Ft.	\$125.00 Per Sq. Ft.
Larger Office (+ 20,000 SF)	\$64.14 to \$178.42 Per Sq. Ft.	\$118.00 Per Sq. Ft.
Retail/Mixed Use	\$51.28to \$257.56 Per Sq. Ft.	\$126.68 Per Sq. Ft.
Warehouse/Industrial	\$44.27 to \$151.05 Per Sq. Ft.	\$67.37 Per Sq. Ft.
Service Garage	\$82.26 to \$208.33 Per Sq. Ft.	\$105.12 Per Sq. Ft.

Sales comparison calibration

The search for comparable sales was within each geographic neighborhood and expanded to include the surrounding competing neighborhoods within the geographic area. Location, quality and effective age were factors considered for adjustment.

Cost approach model description

The Marshall & Swift Commercial Estimator was used to automatically calculate cost estimates for all properties. Cost estimates were relied upon in almost every instance of exempt properties including schools, churches, fire stations and public utility buildings, and served as value indicators for new construction projects. Cost estimates were also relied upon for special use properties where no income data or market data exists.

Cost calibration

The Marshall & Swift Valuation modeling system built into the Real Property Application is calibrated to the western region and the Seattle area. Depreciation is also based on studies done by Marshall & Swift Valuation Service.

Income capitalization approach model description

Economic income information was collected predominately from the market place. Other sources of income information include but are not limited to: sales reporting services such as ‘Comps’, data collected in the field (both asking and actual rates), fee appraisals, journals and publications. Economic income tables were developed to perform an income approach for properties in Area 70. Tables were created for retail, office, medical/dental office, service garage, warehouses, light industrial, and supermarkets. A ‘no income’ table was created to include those properties where the income approach is not applicable such as, exempt properties including schools, churches, fire stations and public utility buildings and special use properties where no income information exists.

Income approach calibration

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor’s records. The tables used are included in the addenda of this report.

Income parameters were derived from the market place through the listed fair market sales as well as through quarterly market surveys, published sources (i.e. Office Space Dot.Com, Commercial Brokers Association, Corporate Real Estate Websites), and opinions expressed by real estate professionals active in the market.

Vacancy rates used were derived mainly from published sources tempered by personal observation.

Expenses ratios are estimated based on industry standards and personal knowledge of the area’s rental practices.

Capitalization rates are determined by personal analysis of sold properties where income information is available, and published market surveys, such as CoStar and Korpaz.

The following is a brief summary of the rents and rates used in this revalue for the major property types

Property Type	Typical Annual Rent/SF	Gross or Triple Net Rent	Annual Rent Range/SF	Vacancy/Coll. Loss %	Expense Rate per Sq.Ft./%	Overall Capitalization Rate Range
Small Office (under 20,000 SF)	\$11 - \$20	Gross	\$6 - \$22	5% - 15%	10% - 30%	8% - 12%
Larger Office (20,000 SF and over)	\$14-\$21	Gross	\$10- \$24	5% - 20%	\$4.00 - \$6.50/SF	8% - 11%
Small Warehouses (under 20,000 SF)	\$4.00- \$5.52	Triple Net	\$3.96 - \$6.72	5% - 7.5%	7.5% - 10%	8% - 11%
Larger Warehouses (20,000 SF and over)	\$3.60 - \$5.04	Triple Net	\$2.40 - \$5.52	5% - 7.5%	7.5% - 10%	8% - 11%
Retail/Mixed Use	\$12 - \$16	Triple Net	\$4.50 - \$20	5%	10%	8%– 12%
Service Garage	\$6.00 - \$8.00	Triple Net	\$5.00 - \$12.00	5%	10%	8% - 12%

Stratification adjustments for the parameters listed were based on quality of construction, effective age, net rentable area and location.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

All parcels were individually reviewed by the area appraisers for correctness of the table application before final value selected. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied varies somewhat but falls within an acceptable range of variation from the established guideline. Final value selects were reviewed by the Senior Appraisers before posting.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

The new assessment level is 96.5%. The standard statistical measures of valuation performance are all within IAAO guidelines and are presented both in the Executive Summary and in the 2003 and 2004 Ratio Analysis charts included in this report.

The total assessed value for the 2003 assessment year for Area 70 was \$2,470,273,960. The total recommended assessed value for the 2004 assessment year \$2,602,083,660.

Application of these recommended values for the 2004 assessment year (taxes payable in 2005) results in an average total change from the 2003 assessments of +5.34%. This increase is due partly to upward market changes over time and the previous assessment levels.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

Area 070 – Renton/Tukwila
2004 Assessment Year
Using 2003 Values

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:		
South Crew	1/1/2003	5/4/2004	1/11/01 - 12/30/03		
Area	Appr ID:	Prop Type:	Trend used?: Y / N		
70	JCOL	Improvement	N		
SAMPLE STATISTICS					
Sample size (n)	85	<div><div>Ratio Frequency</div></div>			
Mean Assessed Value	2,449,000				
Mean Sales Price	2,729,600				
Standard Deviation AV	3,742,690				
Standard Deviation SP	4,722,942				
ASSESSMENT LEVEL					
Arithmetic mean ratio	0.935	<div>Axis Title</div>			
Median Ratio	0.954				
Weighted Mean Ratio	0.897				
UNIFORMITY					
Lowest ratio	0.5805	<div>These figures reflect the 2003 assessed values compared to the listed sales.</div>			
Highest ratio:	1.6731				
Coefficient of Dispersion	11.10%				
Standard Deviation	0.1599				
Coefficient of Variation	17.11%				
Price-related Differential	1.04				
RELIABILITY					
95% Confidence: Median					
Lower limit	0.920				
Upper limit	0.983				
95% Confidence: Mean					
Lower limit	0.901				
Upper limit	0.969				
SAMPLE SIZE EVALUATION					
N (population size)	1117				
B (acceptable error - in decimal)	0.05				
S (estimated from this sample)	0.1599				
Recommended minimum:	40				
Actual sample size:	85				
Conclusion:	OK				
NORMALITY					
Binomial Test					
# ratios below mean:	37				
# ratios above mean:	48				
z:	1.084652289				
Conclusion:	Normal*				
*i.e., no evidence of non-normality					

Area 070 – Renton/Tukwila
2004 Assessment Year
Using 2004 Values

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:
South Crew	1/1/2004	5/4/2004	1/11/01 - 12/30/03
Area	Appr ID:	Prop Type:	Trend used?: Y / N
70	JCOL	Improvement	N
SAMPLE STATISTICS			
Sample size (n)	85		
Mean Assessed Value	2,633,300		
Mean Sales Price	2,729,600		
Standard Deviation AV	4,076,774		
Standard Deviation SP	4,722,942		
ASSESSMENT LEVEL			
Arithmetic mean ratio	0.991	<div>These figures reflect the recommended 2004 assessed values compared to the market.</div>	
Median Ratio	0.984		
Weighted Mean Ratio	0.965		
UNIFORMITY			
Lowest ratio	0.6899		
Highest ratio:	1.6731		
Coefficient of Dispersion	8.57%		
Standard Deviation	0.1294		
Coefficient of Variation	13.06%		
Price-related Differential	1.03		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.954		
Upper limit	1.000		
95% Confidence: Mean			
Lower limit	0.963		
Upper limit	1.018		
SAMPLE SIZE EVALUATION			
N (population size)	1117		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1294		
Recommended minimum:	26		
Actual sample size:	85		
Conclusion:	OK		
NORMALITY			
Binomial Test			
# ratios below mean:	45		
# ratios above mean:	40		
z:	0.433860916		
Conclusion:	Normal*		
*i.e., no evidence of non-normality			

Improvement Sales for Area 070 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
070	010	132304	9087	70,334	1901665	\$10,400,000	07/29/02	\$147.87	RIVERTECH CORPORATE CENTER	CO	1	2
070	010	217200	0611	3,868	1868735	\$490,000	02/11/02	\$126.68	LINE RETAIL & MARKET	CBP	1	2
070	010	217200	0646	960	1948215	\$200,000	03/27/03	\$208.33	SERVICE BUILDING	CB/R24P	3	2
070	010	336590	0230	2,816	1847590	\$235,000	10/17/01	\$83.45	ASH BUILDING	RCM	1	2
070	010	336590	1650	10,480	1874366	\$1,230,000	03/21/02	\$117.37	ERIKS WEST (OFFICE/WAREHOUSE)	C/LI	1	2
070	010	336590	1846	1,500	1935085	\$200,000	01/20/03	\$133.33	SMALL OFFICE BUILDING	C/LI	1	2
070	010	359700	0446	4,392	1803244	\$494,500	02/12/01	\$112.59	WHITEHORSE TAVERN	RCM	3	2
070	010	918800	0020	16,811	1969524	\$2,250,000	06/30/03	\$133.84	WASHINGTON TECHNICAL CENTER	IM	1	2
070	010	918800	0110	41,453	1990224	\$7,396,000	09/23/03	\$178.42	VALLEY 405 BUSINESS PARK	CO	1	2
070	010	918800	0145	63,138	1796898	\$9,466,985	01/17/01	\$149.94	OFFICE BUILDING	CO	1	2
070	010	984440	0005	8,000	1903635	\$1,000,000	08/15/02	\$125.00	T S D OFFICE BLDG	O	2	2
070	020	000580	0026	10,140	1945041	\$810,000	03/10/03	\$79.88	BAYVIEW LIMOUSINE	TUC	2	2
070	020	000580	0037	29,979	1902107	\$5,000,000	08/05/02	\$166.78	TUKWILA PARK -LINE RETAIL	TUC	1	2
070	020	022300	0050	22,318	1928310	\$2,653,000	12/13/02	\$118.87	PITNEY BOWES INC	TUC	2	2
070	020	022310	0070	84,762	1808102	\$13,275,000	03/28/01	\$156.61	BIG BOX RETAIL	TUC	1	2
070	020	022310	0099	32,186	1864799	\$5,300,000	01/24/02	\$164.67	ANDOVER PLAZA	TUC	1	2
070	020	022320	0040	23,600	1881958	\$1,790,000	04/25/02	\$75.85	LITHO DEVEL & RESEARCH	CM	1	2
070	020	022320	0060	22,924	1967505	\$2,705,000	06/18/03	\$118.00	ANDOVER PLAZA BUILDING	TUC	1	2
070	020	125380	0015	42,630	1954965	\$2,852,500	04/30/03	\$66.91	ALASKA FISH FERTILIZER	1M	1	2
070	020	125380	0050	48,560	1842652	\$7,335,000	09/20/01	\$151.05	TRANSIT WAREHOUSE & SERVICE GAR	IH	2	2
070	020	252304	9085	18,053	1810410	\$1,850,000	04/05/01	\$102.48	TUKWILA TRADE CENTER	C/LI	3	2
070	020	262304	9066	19,992	1876991	\$4,450,000	04/01/02	\$222.59	ETHAN ALLEN FURNITURE	C2	1	2
070	020	262304	9097	30,640	1825881	\$1,900,000	06/25/01	\$62.01	WAREHOUSE	CM	1	2
070	020	262304	9120	9,483	1821067	\$2,525,000	06/01/01	\$266.27	WINNER'S RESTAURANT	C2	1	2
070	020	262304	9128	96,795	1884494	\$11,700,000	05/08/02	\$120.87	TOYS R US	CP	3	2
070	020	262304	9136	163,629	2011322	\$38,455,000	12/30/03	\$235.01	PARKWAY PLACE	TUC	2	2
070	020	312305	9092	18,262	1808978	\$1,985,000	03/29/01	\$108.70	VALLEY 3900 BUILDING	CA	1	2
070	020	352304	9122	13,948	1927615	\$1,700,000	12/09/02	\$121.88	RETAIL BUILDING	TUC	2	2
070	020	362304	9011	30,110	1934727	\$3,250,000	01/17/03	\$107.94	NC MACHINERY & EXCESS LAND	M1	1	2
070	025	000020	0042	63,000	1796487	\$3,287,000	01/12/01	\$52.17	WAREHOUSE	M1	1	2
070	025	012204	9021	67,825	1946963	\$4,350,000	03/25/03	\$64.14	BOEING BLDG 18-234	M1	1	2

Improvement Sales for Area 070 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
070	025	012204	9049	68,160	1983465	\$3,017,372	08/25/03	\$44.27	INDUSTRIAL BUILDING	M2	1	2
070	025	125370	0070	59,220	1840322	\$3,000,000	09/06/01	\$50.66	WAREHOUSE	M2	1	2
070	025	312305	9031	37,260	1906785	\$2,350,000	08/24/02	\$63.07	WAREHOUSE	M2	1	2
070	025	331060	0285	16,812	1952054	\$1,395,000	04/11/03	\$82.98	BCS FURNITURE AND MATTRESS	M1	1	2
070	025	362304	9046	44,525	1824010	\$3,150,000	06/15/01	\$70.75	WAREHOUSE	M2	1	2
070	025	362304	9084	6,400	1987643	\$672,750	08/27/03	\$105.12	SERVICE BUILDING	M2	1	2
070	025	362304	9100	21,965	1845897	\$3,100,000	10/09/01	\$141.13	PARK 8000	M1	1	2
070	025	362304	9101	15,030	1958919	\$1,460,000	05/09/03	\$97.14	DISTRIBUTION WAREHOUSE/OFFICE	M1	1	2
070	025	640760	0050	84,960	2010502	\$3,800,000	12/26/03	\$44.73	CAM INDUSTRIES	M1	1	2
070	025	788880	0150	24,229	1980474	\$2,350,000	08/12/03	\$96.99	OFFICE/WHSE BLDG	M1	1	2
070	025	788880	0210	30,000	1796718	\$2,450,000	01/11/01	\$81.67	OFFICE/WAREHOUSE (50% OFFICE)	M1	1	2
070	025	788880	0360	86,080	1864399	\$4,060,000	01/21/02	\$47.17	DISTRIBUTION WAREHOUSE	M2	1	2
070	025	788880	0480	45,525	1969703	\$3,087,500	06/25/03	\$67.82	SHELTON DISTRIBUTION	M2	1	2
070	025	788890	0111	28,900	1985935	\$1,740,000	09/05/03	\$60.21	INDUSTRIAL BUILDING/OFFICE	C/LI	1	2
070	025	883660	0030	11,908	1859554	\$1,700,000	12/21/01	\$142.76	WAREHOUSE- EXCESS LAND	M2	1	2
070	025	883660	0110	63,765	2011056	\$3,065,333	12/26/03	\$48.07	WEST VALLEY DISTRIBUTION CENTER	M1	1	2
070	030	118000	0400	2,685	1814936	\$167,500	04/24/01	\$62.38	OFFICE/RETAIL BUILDING	CB	1	2
070	030	182305	9149	4,141	1980592	\$569,000	08/15/03	\$137.41	RETAIL OR OFFICE SPACE	CA	1	2
070	030	182305	9212	45,880	1927915	\$4,422,594	12/16/02	\$96.39	LITHIA DODGE	CA	2	2
070	030	182305	9251	58,800	1804427	\$4,950,000	03/07/01	\$84.18	OFFICE BLDG	IM	1	2
070	030	192305	9087	17,512	1862799	\$2,090,000	01/11/02	\$119.35	OFFICE BUILDING & SMALL GARAGE	IM	1	2
070	030	334040	4785	6,720	1971183	\$475,000	06/23/03	\$70.68	WAREHOUSE/INDUSTRIAL BUILDING	IM	1	2
070	030	420240	1500	4,473	1816864	\$560,000	05/01/01	\$125.20	VACANT RESTAURANT BUILDING	CA	1	2
070	040	150580	0020	3,850	1981227	\$345,000	08/15/03	\$89.61	CENTURY PLAZA OFFICE CONDO	CD	1	2
070	040	172305	9074	2,862	2001477	\$500,000	11/06/03	\$174.70	CHINESE VILLAGE RESTAURANT	CA	1	2
070	040	172305	9089	7,284	1952209	\$950,000	04/09/03	\$130.42	PAWN SUPERSTORE	CA	1	2
070	040	182305	9112	3,586	1907165	\$350,000	08/29/02	\$97.60	RENTON VETERINARY HOSPITAL	CA	1	2

Improvement Sales for Area 070 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code
070	040	722400	0230	1,728	1839245	\$160,000	08/29/01	\$92.59	OFFICE BUILDING	R-10	1	2
070	040	722400	0675	7,332	1893816	\$775,000	05/30/02	\$105.70	2 SMALL OFFICE BUILDINGS	CA	1	2
070	040	722500	0415	3,921	1818037	\$425,000	05/15/01	\$108.39	NORTH RENTON PROFESSIONAL BLDG	R-10	1	2
070	040	722930	0070	1,920	1959073	\$230,000	05/14/03	\$119.79	RETAIL BUILDING	CA	2	2
070	040	722930	0615	3,647	1923902	\$300,000	11/12/02	\$82.26	THOMAS AUTO REBUILD	CM	1	2
070	040	723150	0720	10,598	1952499	\$900,000	04/15/03	\$84.92		CD	1	2
070	040	723150	1185	6,910	1929071	\$410,000	12/12/02	\$59.33	CEDAR RIVER ANTIQUE MALL	CD	1	2
070	040	723150	1755	5,968	1858873	\$450,000	12/14/01	\$75.40	OFFICE/RETAIL	CD	1	2
070	040	723150	1970	5,000	1850177	\$500,000	10/24/01	\$100.00	OFFICE BUILDING	CD & RM	2	2
070	040	723150	2300	10,000	1873699	\$620,000	03/06/02	\$62.00	RETAIL	CD	1	2
070	040	723150	2350	3,900	1954950	\$200,000	04/25/03	\$51.28	CAFE/TAVERN	CM	1	2
070	040	783980	0090	1,344	1950588	\$175,000	04/07/03	\$130.21	DENTAL CLINIC	CD	1	2
070	040	783980	0145	11,512	1919441	\$800,000	10/31/02	\$69.49	RETAIL & WHSE	CD	2	2
070	040	784130	0170	1,442	1923159	\$283,000	11/13/02	\$196.26	DENTAL CLINIC	CM	2	2
070	040	784180	0155	2,947	1822374	\$237,000	05/23/01	\$80.42	RENTON FLOWER SHOP	CD	1	2
070	040	784180	0185	8,564	1829111	\$579,000	07/05/01	\$67.61	ROXY THEATRE	CD	1	2
070	050	142370	0941	1,200	1893283	\$160,000	06/18/02	\$133.33	OFFICE BUILDING	OSO	1	2
070	050	292305	9158	4,562	1945173	\$1,175,000	03/14/03	\$257.56	DESIGNERS SALON	CBSO	1	2
070	050	292305	9160	10,816	1912960	\$1,700,000	09/30/02	\$157.17	SPRING GLEN PROFFESIONAL BLDG	CBSO	1	2
070	050	302305	9034	4,677	1923849	\$880,000	11/15/02	\$188.15	MEDICAL CLINIC	CO	3	2
070	050	312305	9061	10,788	1875457	\$1,616,000	03/27/02	\$149.80	VALLEY DERMATOLOGY CLINIC	CD	1	2
070	050	322305	9056	2,765	1900609	\$605,000	07/25/02	\$218.81	KINGS TRANSMISSION	CBSO	1	2
070	050	322305	9295	5,655	1880910	\$850,000	04/22/02	\$150.31	SPRING GLEN DAYCARE CENTER	R24SO	1	2
070	050	512690	0327	320	1815212	\$65,000	04/24/01	\$203.13	BARBER SHOP	CC	1	2
070	050	756080	0010	32,740	1867407	\$5,346,000	01/31/02	\$163.29	FAIRWOOD SQUARE (PORTION)	CBSO	3	2
070	050	756080	0010	33,776	1929870	\$5,800,000	12/24/02	\$171.72	FAIRWOOD SQUARE SHOPPING CENTER	CBSO	3	2
070	050	761680	0080	2,104	1970969	\$459,166	07/07/03	\$218.23	RES CONVERTED TO OFFICE USE	OSO	2	2